Entrepreneurs are fast, flexible, and focused. They embrace challenge and handle ambiguity. Any number of situations can test their stamina and business model. The economy is the latest hurdle many businesses face.

Serial entrepreneur Christopher Robbins, MBA ’03, hit his stride in 2005, when he and his business partner Jonathan Schwarz founded Stone Hearth Pizza Co. in Belmont, Mass. Now with three restaurants in the area, patrons can dine in the family-friendly atmosphere, order out, or purchase their pizzas in various supermarkets.

During the same year in Somerville, Richard Brauman, MBA ’05, launched The Little Pearl. The company processes, packages, and distributes a variety of delicate American caviars, blini, and accoutrements to hotels and restaurants, grocery stores and specialty shops from Maine to Florida. Growing up, Brauman loved to fish and always kept in the back of his mind the idea of a career in that field. He turned his passion into a business plan in the Two-Year MBA program.

Though the impact of the economy has slowed down the original growth plans of both enterprises, these upbeat entrepreneurs tell a tale of survival in a turbulent market. Babson Magazine spoke with the alumni to learn what has changed for their ventures.

THE LOCATION was good. The demographics were excellent. And the business had a great following. Who doesn’t like organic, healthy, food choices, especially at a family restaurant on a Friday night? But the second Stone Hearth Pizza Co. to open was the first one to close after only 18 months. “We had to make a painfully tough decision,” says Robbins.

Such is the life of an entrepreneur, and Stone Hearth’s founders were all too familiar with the challenges that life could bring. Christopher Robbins and Jonathan Schwarz met as neighbors in suburbia and became friends. Between them, the men had roughly 30 years of work experience in high tech, but they also had a driving itch to break away from corporate life. Both had been involved, to one degree or another, with a couple of startups. The business cycle of one of those enterprises waxed and waned and ultimately closed; the other was sold at a profit.

The itch to break out, though, didn’t go away. Over margaritas and the backyard barbecue, they often grilled dinner for their wives and children on weekends. Usually, say Robbins and Schwarz, they would toss around ideas for startups. Not surprisingly, the conversations always led to the same conclusion: It doesn’t exist, so let’s build it.

The genesis of Stone Hearth Pizza came out of the cofounders’ intent to find a local family-friendly restaurant, where the ingredients are healthy, the menu offers
Christopher Robbins, MBA '03
A Reboot

The closure of their second location, the partners say, provided them with an opportunity to reassess their business model. Initially, they started with a limited menu of pizza, salads, beer, and wine. They had one goal in mind: create an exceptional product.

However, Robbins and Schwarz realized their Sudbury pizzeria got the Friday-night veto vote. One member of a family would want French Fries and a hamburger and another might want pasta, soup, or a salad. The menu wasn’t diverse enough to keep pace, admits Robbins. “As a result of that incredibly powerful learning experience, we operate differently today.”

Indeed, they do. After they closed that location, the partners took action. They expanded the menu at their two remaining restaurants in Belmont and Needham. They added appetizers, hearty homemade soups and flat-bread sandwiches, a broader variety of salads and pizza toppings, and desserts.

Head Chef Michael Ehlenfeldt’s skills in creating gourmet dishes lure customers back repeatedly. Prior to joining Stone Hearth, he had spent 14 years at Hamersley’s Bistro in Boston, where he made his reputation as the executive chef.

The pizzeria uses a wide assortment of fresh vegetables and cheeses. Deliveries arrive at the restaurants daily from New England farms. Ehlenfeldt creates seasonal menus and develops recipes using organic ingredients whenever possible. Growing up on a Wisconsin dairy farm, he learned the health benefits of eating fresh food.

A Visit

When we visited the Needham restaurant, the menu included more than a dozen signature Neapolitan thin crust pizzas that are the base for a range of toppings—from classic cheese to hot Thai peppers to Stone Hearth Pizza’s unique Farm Fresh, which is basically a salad on a pizza. Also, guests can create their own 6-inch, 8-inch, or 12-inch pie with assorted vegetables, meat, and cheese options.

“Being an entrepreneur suits my personality,” Robbins says, surrounded by the sights, sounds, and smells of his restaurant. “I love the challenge of putting together the pieces … of a successful business, from the marketing and the financials, to creating a unique culture among the staff.”

Today, the company has 90 employees at three locations, the newest one in Cambridge. A fourth restaurant was on the horizon when Robbins and Schwarz decided to hold off expansion plans because of the economy 18 months ago.

Shortly after they made that decision, an opportunity arose for the company to expand without adding another restaurant. In a chance meeting with a representative from Whole Foods Market, the partners accepted an offer to rent 4,000 square feet of space in Whole Foods’ commissary and warehouse, where Stone Hearth prepares pizzas for retail distribution. Stone Hearth sells products through Whole Foods Market and BJ’s Wholesale Club, and the company’s cheese pizza is on Legal Sea Food’s children’s menu. Stone Hearth is also on the verge of supplying several colleges and universities in the New England area.

As their success grows, the partners focus on creating an environment in which team and communication are the standard. There is no “me,” it is “we,” Robbins says. The partners operate with a triple bottom line philosophy. They focus on equal parts of profit, regard for the environment and sustainability, and a commitment to social responsibility in the communities where the restaurants are located.

In fact, a few minutes into our visit at the pizzeria, Babson students Patricia Silhy and Stephen Lank, both ’10, dropped by to speak with the owners. They asked if Stone Hearth Pizza would provide cheese pizzas for students from the Gavin Middle School in South Boston. The eight 11- and 12-year olds, part of the Citizen Schools Apprenticeship program, would be on Babson’s campus the next day to pitch their business ideas to an entrepreneurship class.

The founders invited the seniors to come back tomorrow to pick up enough pizzas for all to enjoy.
Niche Enterprise

Richard Brauman, MBA ’05, had plans.

The founder and CEO of The Little Pearl wanted to create a broader awareness for his often-overlooked product: American caviar. Before the end of 2007, his company’s operation was growing at 300 percent. “We were trying to create a market for American caviar where there wasn’t one,” Brauman says.

Then the economy tanked, and everything changed. The Little Pearl’s rate of growth slowed to 75 percent.

Brauman faces many issues great and small, from the high cost of shipping boxes, to the scarcity of tiny glass jars, to weather-related supply concerns. The economy is just one more thing to contend with.

Despite that, Brauman loves what he’s doing. “This is the industry I want to be in,” he says. “Caviar is what I want to produce and sell, and some days this is the kitchen I like to go to just to work with the staff.”

Brauman’s niche enterprise produces, packages, and distributes American caviar and complementary accessories such as caviar spoons, assorted toppings, and blini—bite-size pancakes to hold the caviar or roe delicacy. Little Pearl’s European artisan and honey buckwheat blini are handmade from family recipes, and the company’s toppings include creme fraiche and have tasty-sounding names like Lemon Drop Mousse, Lemon Heaven, and Lemony Goodness.

At Babson, Brauman spent 18 months in the Entrepreneurship Intensity Track fine-tuning his idea for a venture based on farm fishing. That was something he knew quite a bit about because Brauman’s Babson MBA was actually his second graduate degree. His first was an MS in aquaculture technology from an Australian university.

In the Olin Hall hatchery, Brauman drafted a viable business plan that called for a retail side to sell caviar and a farm-fishing side to provide a steady supply of the company’s product.

Starting off, Brauman decided to launch the retail side of his plan to generate revenue. Once that was up and operational, and assuming the strong 2005 economy stayed that way, he would eventually start farm fishing. That would ensure a steady supply of caviar to sell to a broader market, and thereby, increase revenue.

Unfortunately, the economy didn’t cooperate. The retail side of the house continues, but the loans needed to start farm fishing can’t be had. “We’ve talked to different banks about agriculture loans,” Brauman says. “The officers sound very positive, but at the end of the day, they still have no money to lend to businesses.”